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ABSTRACT

Educational institutions must seek new approaches to institutional planning because of such factors as shrinking traditional college age populations, eroding grants, governmental and judicial incursion, the tightening economic belt, and concern over the relevance of education to modern day needs. The concept of marketing higher education is controversial, and before 1970, it was a very small part of long range planning. Currently, the question is how to market as opposed to whether or not to market. This stems from the dramatic changes in society. Projections for the next 15 years say the educational trends from the early 1970s will continue. The composition of future student bodies is affected by the great increase in minority populations and the changing life expectancy. It is important for each institution to analyze its specific circumstances and design a special marketing plan according to its uniqueness. A discussion of what state and private colleges must consider is provided, and marketing activities in general are described. The marketing of higher education focuses on encouraging enrollment and helping with fund raising. Important steps in strategic marketing planning include environmental analysis, resource analysis, goal formulation, strategy formulation, organization design making changes to implement the strategies, and systems design improvement to promote effective strategy implementation. Twelve references are provided. (SM)

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MARKETING IN HIGHER EDUCATION

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MARKETING IN HIGHER EDUCATION

Higher education struggles to keep educational programs alive and responsive to changing societal needs, questioning minds of students, and talented faculty members. American colleges and universities have been hard hit by the economic belt tightening of the last few years, as well as, eroding grants, governmental and judicial incursion, and shrinking traditional college age populations. These threats, coupled with increasing concern over the relevance of education to today's needs, force educational institutions to look for new approaches to institutional planning.

The mention of marketing higher education guarantees to spark an argument. Before 1970 the marketing concept in higher education comprised a minute focus in long range planning. Political suicide was eminent in higher education if the words "marketing" or "market research" were uttered at a faculty meeting or gathering of the president's cabinet. Instead, carefully chosen euphemisms such as "improved communications" or "better results" were voiced. Why? The time proven, effective promotional techniques pioneered by industry were treated with either skepticism or outright rejection by the academic community. The controversy created was heated and partisan. For the opposition, the purist opined that education has such inherent value that it created its own demand. Consequently, no reason exists to create a demand for it. They alluded to the

obvious dichotomy between the oral idealism of education and Madison Avenue's huchsterism. Driving the point home they argued that "you simply can't sell education as you do automobiles or bars of soap" (Pelletier, 1985, p. 56).

Those in favor of marketing, the pro-marketers, countered with the pragmatic. The issue, not of edealism or morality, claimed survival as its impetus. Dire projections about shifting demographics and shrinking student pools forced them to view marketing as an effective view marketing as an effective means to a positive end.

The way it used to be, in controversy and debate, has passed. Now, however, the argument is not whether to market, but how to do it. What happened after 1970 to cause such a shift? Why has marketing come of age in education?

The cause and effect flows from the dramatic change in society. The projections for the next 15 years predict that the educational trends starting in the early 1970s will continue. The size of high school graduating classes will decline because the drop in birth rate in the 1960s will result in 19% less 18-year-olds in the 80s than there were in the 70s (Bureau of the Census, 1977). The current birth rate, while increasing, will do so at a slower rate. We will slowly respond to an improving economy rising out of recession by gradually increasing the number of children per family.

The dramatic increase in minority populations in America impacts the composition of future students. In 1980 and 1981 legal immigration comprised one third of the U. S. population. Foreign language, beliefs, and cultural traditions will melt into

American society. The need for multilingual skills and a sensitivity to cultural norms will continue into the next century. The mobile American also affects the enrollment in higher education. With relocation of families to the warmer climates, the sunbelt will experience increases in the pool of high school graduates long before the northern states will.

The graying American segment influences the population shift. Life expectancy in 1980 was 73.6: in the year 2000 the life expectancy will be 72.9 for males and 81.1 for females. In 2000-2020 the baby boomer reaches age 65. By the year 2030, those individuals 65 and older will represent 20% of the U. S. population (Andreoli, & Musser, 1985). The results of these changes on the composition of this country dictate that higher education adjust to a smaller contingent of white middle-class students from suburban backgrounds and growing populations of adult students who are college bound and localized in the South.

As time passes, colleges, universities, and other educational institutions increasingly recognize that they face marketing problems. Deminishing numbers of prospective students and enrollments, shifting populations, dwindling donations and financial aid, and fading resources compound the issues facing higher education. Dependency on the altered marketplace served by colleges and universities becomes an essential realization for institutional survival. Attention necessitated by this impending crisis focuses first on the specific problems then turns to isolate specific solutions. Each institution must analyze its own set of circumstances and formulate its marketing design in light of its own uniqueness.

The 4-year private colleges present as small, tuition dependent liberal arts colleges with moderately selective or unselective admissions policies, limited state and federal support, and often strong church affiliations. This description fits approximately one-third of all the four year colleges in the United States, about 500 institutions enrolling half a million students. These colleges provide less able and less well prepared students with individual attention and opportunities for active participation in a cohesive atmosphere that most larger institutions cannot (Kotler & Fox, 1985).

Many of the less selective four year private colleges avoid focusing on increasing admissions standards then simply attracting enough students to keep operating. The prospective students claim financial aid dependence, thus, when aid deteriorates the student enrolls in public institutions. Between 70%-90% of all faculty members in such institutions are tenured, and this often limits responses to declining enrollment and slows needed curriculum change (Simmons, 1975). The increasingly urban minority population may be less interested in attending church affiliated colleges in rural or small town location, preferring large metropolitan public institutions.

Selective private institutions feel the affect of demographic and economic change. Even the most prestigious private colleges have intensified their efforts to attrat the best students, some by offering "no-need" scholarships to woo the top candidates. High costs have pushed up the annual tuition at some institutions to the price of a new car, with financial aid budgets straining to keep pace with student needs. Facing

competition for students to warrant selecting a private institution.

Research oriented private universities face a dilemma in balancing an emphasis on research with students' expectations of strong teaching. Research at the expense of teaching risks losing students to smaller, student centered institutions, whereas teaching at the expense of research may significantly alter the university's character and scholarly contribution.

Many state colleges and universities charge low or no tuition and gleen half of their total budget allotment from state government. In times of recession, when state tax receipts drop and welfare rolls grow, state educational institutions suffer doubly. Students who might otherwise attend private institutions flock to lower cost state schools, increasing enrollment just when legislatures are ordering budget cutbacks.

State institutions have responded to cutbacks by setting or raising tuition, merging state institutions to achieve some economics, reducing faculty size, and raising admission standards to reduce enrollment. In some states, as many as one third of the branches of the states higher education system will be surplus in the next few years (Stewart & Dickason, 1979). Many state institutions emphasize fund raising and corporate grantsmanship to reduce dependence on legislative appropriations.

Established to determine and meet the educations needs of the communities, the community colleges offer free or low cost degree programs, vocational training, leisure courses, and other educationsl services. Although most are flourishing, some were

built in the 1960s to accommodate population growth that never happened; these may close. Even community colleges with high demand feel the budget squeeze and respond by raising fees to cover short falls. Some community colleges with open enrollment policies established admission standards for the first time and suspend students who continue to fail courses.

Several of the trends are favorable for community colleges. More women seek higher education and many pursue needed vocational training for skilled jobs without a four year college degree. Economic down turns tend to push students away from the residential colleges and toward community colleges and the vocational programs offered. The elderly, displaced worker or those needing retraining, and liberal arts graduates seeking career training also look to the community college (Kottler & Fox, 1985).

A variety of educational institutions scrutinize the marketing challenges. Many face changing student needs and societal expectations, increasing competition for scarce client and funding resources, and unabating financial pressures. Board members, legislators, and community groups put tough questions to educational administrators about the institutions' mission, opportunities, and strategies. One result is that educators take a hard look at marketing to see what the discipline might offer to keep the institutions viable and relevant.

In sum, many of the outside forces that affect higher education have changed significantly in just a few years. One major effect results in the increasing competition among institutions for students and dollars. The traditional seller's

market in education where the institution dicatated policy and curriculum, forcing the student to adjust to that mold or go elsewhere evolved rapidly into a buyer's market whence policies and curricula were amended, abolished, or established as part of the effort to lure and keep students. The institutions of higher education, administration, faculty members, and current students, take a keen interest in meeting the needs of potential students responding to societal demands and the demographic changes.

Colleges and universities must provide new programs in linguistics and trans-cultural perspectives in an effort to meet the challenges of our integrated, ethnic world. To attract minorities and older adults, academic planners should pursue expansion of program services and curriculum. Demographics, indicating sufficient populations to support higher education, will necessitate new program offerings for under served areas. Other clusters of potential students need to be captured by responding to, and offering support for, the needs of employers in education, business and industry, health care and medicine, and government, including the military (Pelletier, 1985). Institutions can continue to serve the needs of the professions through internships, workshops, inservice training, practicums, and continuing education programs held in conjuction with affiliating corporations and businesses.

The decline in the traditional college student cohort could be offset if colleges and universitites pursues nontraditional markets. A report by the National Commission on Non-Traditional Study (1974) argued that nearly 80 million adults show interest in obtaining more education, but in 1977 no more than five

million adults actively engaged in education at traditional higher education institutions. As a result of this apparent discrepancy between projected demand and actual enrollment, it has been suggested repeatedly that higher education institutions need to become more market oriented.

In the process of attempting to take steps forward, higher education wisely borrowed management and operating techniques from other institutions, especially business and government. Marketing remains a major operational activity underutilized in higher education. Universities engage in some aspects of marketing. Marketing proposes neither an anathema to higher education nor a panacea for current fiscal stress (Litten, 1980).

For many educators, marketing, synomyous with selling, advertising, or promotion, deserves no place in an academic setting. Even to those who accept marketing in its broader context, that of the determination and meeting of customer needs and wants, it is almost always viewed solely as a business activity. To the contrary, it suggests a pervasive societal activity that every kind of organization is engaged in, and generally must engage in.

Currently, every college and university engages in select marketing activities. Many universities put substantial effort into the recruitment of students. Pursuasive efforts frequently include both advertising and personal selling, pricing considerations, scholarships and subsides, and the tangible and intangible utilities summed up in the term education highlight marketing strategies. Similarly, a university takes on marketing activities when it solicits its alumni, when they lobby at the

state legislature, and even when a member of the faculty community presents a research proposal.

No matter what it is called, who does it, or where in the institution it is done, colleges and universities undertake marketing activities. The university must hold a deep appreciation for the value and spirit of marketing and encourage marketing in a formal and ongoing process as part of administrative activities. Marketing cannot be seen as a series of often isolated institutional actions, but as a dynamic operational activity having numerous applications and multiple dimensions, which must be performed in an integrated manner.

With all the positive aspects of a comprehensive marketing plan for any higher education institution there still exists an influential oposition camp. Critics of marketing fear that the business side of education will begin to overshadow its mission and values. College and universities should evaluate quality based on academic merits and educational attributes, not on their marketing prowess. The purpose of higher education, to provide intellectual heritage and social leadership, makes complete responsiveness to market demands inappropriate. To meet the demands for high technology and job placement would be destructive and inappropriate. A consumer orientation might well result in an abolishment of liberal arts programs such as, the classics, foreign languages, history, or philosophy. Our culture as a whole would suffer if higher education failed to provide a broader and more future directed view than can be envisioned by the populous at large (McNamara, 1985).

For those who accept marketing in a broader sense, that of

determining and meeting consumer needs and wants, it delineates a business activity. To the contrary, for higher education, it becomes a pervasive societal mandate (Krachenberg, 1972). Marketing remains a positive way of responding to the inevitable changes in higher education. Higher education assumes the responsibility for cultural and intellectual development and preservation and leadership within a society. Kotler and Fox (1985) suggest that educational institutions appropriately adopt orientation to a societal market plan. A marketing plan considering societal demands takes into account consumer needs, desires, and long-term interests and the needs of a society at large. Educational institutions must remain responsive to the needs and preferences of students, while preserving academic ideals, reputation, and other goals and commitments.

Exchange conceptualizes the driving force behind effective marketing. Through exchanges, colleges and universities attain the resources they need and the participants gain educational experiences and intellectual development. Society acquires what it needs in return, learned peoples, cultural exploration, and support for the workplace. The exchanges prove mutual, in that both parties see themselves as beneficiaries (Frober, Salman, & Spradley, 1986).

Fundamentally, the marketing of higher education concentrates on two goals: to encourage enrollment and to assist the fund raising efforts. Marketing promotes a mutually satisfactory exchange. Students exchange tuition money for an education and services, while donors give contributions to a college in exchange for an altruistic reason. These exchanges

take place for fiscal and other forms of support. Marketing concerns the management of the exchange from the college or universities point of view. The effective institution plans, executes, and evaluates programs in response to clearly identified user needs. These programs are aggressively promoted by the institution in order to maintain visibility. The consumer of educatin must know the benefits of the exchange process.

The consumer student, becomes the starting place for an effective marketing campaign. Strategies designed to satisfy the needs of the target student population dictate the direction of the marketing efforts. Marketing decisions are based on four selected strategies in the areas of product, place (distribution), price and promotion.

Product, place, price, and promotion comprise the essential compoents of the marketing process. Each of these components varies and can be altered to optimize the exchange between the university and its consumers. The products of the university consist of its academic programs, faculty members, job placement service, athletic program, library, and other facets of college life. Any of these products can be adopted to meet market demands. Many institutions alter their educational product to appeal to different segments of the market. For example, evening programs aimed at the full-time, day employee or the older adult flourish at some schools. In addition "weekend college" programs have been instituted for those who have been unable to attend college in the traditional format. Colleges, female in tradition, enroll men and conduct programs in business, medicine, and graduate studies.

Place becomes part of the marketing strategy when the universities consider offering courses off campus or at times and places on campus convenient to students. Options for off site locations become evident when marketing studies reflect underserved areas of potential students. Also, need can be determined not only by demographics that reflect limited access to higher degree institutions. Outreach programs in administration, nursing, computer science, and education create new educational opportunities for students. Place also can change from the traditional college campus to business and industry. Programs, such as the MBA, can be taken to corporations to provide a needed service and ultimately resolve a corporate dilemma. Universities can broaden their channels of distribution by offering classes on military bases, industrial firm sites, and by offering courses broadcast over local television stations.

Price or cost deals with variables that can be altered even in a time of decreasing funding and financial resources. Discounts can be offered to select groups, such as senior citizens. Also nonacademic sources can be sought for funding and scholarships. Scholarships for women from corporations, tuition reimbursements from employers, incentive programs, and grants from various professional organizations reflect the types of resources needed. Deferment of tuition payback creates another price option for the students.

Promotion involves public relations, advertising, direct mail, publications, direct solicitation, and other forms of communication. Colleges utilize mass media advertising in

newspapers, magazines, radio, and occasionally television. Personal contact proves itself to be an important strategy, and institutions increasingly rely upon students and alumni to systematically recruit prospective students.

Strategies for marketing expand the definition of marketing beyond emphasizing voluntary exchange. Kolter and Fox (1985) found marketing to be the analysis, planning, implementation, and control of programs designed to bring about voluntary exchange of values with target markets to achieve the mission and goals of the institution. With this definition in mind, a cursory look at today's marketing strategies for higher education reflect a piecemeal approach employing only stop gap measures. Marketing in higher education must be viewed as a holistic, comprehensive, systematic effort.

Comprehensive marketing and planning provide the mechanism for colleges and universities to survive. Strategic planning illustrates "the process of developing and maintaining a strategic fit between the organization and its changing marketing opportunities" (Kotler & Murphy 1981, p. 471). Kotler and Murphy outline appropriate steps in strategic marketing planning:

1. environmental analysis--a careful analysis of today's and tomorrow's probable environment:

2. resource analysis--a review of the strengths and weaknesses of key institutional resources, including personnel, funds, facilities, systems:

3. goal formulation--a process of determining institutional missions, goals, and objectives to represent future directions;

4. strategy formulation--the development of cost effective and appropriate strategies for achieving goals;

5. organization design making changes in the organization's structure, personnel, and culture in order to implement the strategies; and

6. systems design improvement of the institution's systems of information, planning and control to promote effective strategy implementation.

The strategic planning process impacts each major institutional level, beginning with the institutional level, beginning with the president and progressing through schools, departments, and programs. The goals and assumptions begin at the highest levels, but the detailed plans come from the grassroot level of the institution. Universities must develop a deeper appreciation for the value and spirit of marketing. Marketing becomes, then a formal and ongoing part of the administrative activities. Marketing must be seen as not just a series of isolated institutional actions, but as a dynamic operational activity having numerous applications and varying dimensions.

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